

Renewable Energy Initiative
Wednesday, Sept 12, 2007 10:00am-2:00pm
Utah Department of Environmental Quality

Minutes

In order to help the REI Focus Group to understand transmission and distribution system issues, Mr. Jim Tarpey of Holland and Hart gave a presentation on the Wyoming State Infrastructure Authority (WIA). The WIA is set up as a state instrumentality; in a way that the state is not pledging full faith and credit on bonds issued by the authority a necessary condition to address Wyoming constitutional issues. Even with that limitation, the WIA scope is very broad, with essentially cradle to grave authority to build and strengthen the transmission system, inside or outside the state. WIA can partner with the private sector, and has bonding capability up to \$1 billion on projects it doesn't own, and unlimited for projects owned by WIA.

The WIA has found that its most effective role is that of facilitator to help get the right players to the table, to serve as a catalyst/coordinator, advocate, or project sponsor. Much of its budget is used to fund feasibility studies that will help participants decide whether to build a transmission line. The WIA works with project partners to complete the studies. If the parties decide to proceed, the intent is to recover the Authority's costs so that the money can be re-used. Major partners would take the major lead going forward. Major projects facilitated by WCI include the Wyoming-Colorado Intertie Project, the Trans West Express, the Frontier Project, and the IGCC Pilot Project.

Some of the challenges that the WIA faces include the need to engage many different stakeholders with very different agendas; engineering challenges including technology, terminal locations, suitable corridors, and the impact on the rest of the grid; environmental and permitting issues; financing; the breadth and depth that should be included in the feasibility studies; equity financing during the development stage; and risk allocation and certainty of the revenue stream during the construction stage.

Public policy challenges include the use of a regional approach to transmission planning and development rather than individual states doing their transmission planning independent of other states or regional needs, the coordination of state and federal regulatory commissions, and coordinating for site approval processes.

Also, there are challenges concerning the application of open meetings laws and the Public Records Act, and the impact those requirements have on the willingness of participants to share confidential, proprietary or market-sensitive information.

The WIA is not required to comply with the Wyoming State procurement policy processes.

Following Mr. Tarpey's presentation, the REI group discussed the following possible actions to help spur the development of transmission to serve renewable energy resource.

- Establish a Utah infrastructure authority: When asked about how Utah might consider setting up an infrastructure authority, Jim suggested broad authority, a high level board appointed by the Governor, with a clear mission about whether the state is planning to be an import or and export state, the role of renewable energy resources, and whether the authority should be a state instrumentality with the associated separation from state government (which gives leverage and avoids the authority being seen as just another state agency).
- The group then discussed how to move from the tradition system of transmission planning to other schemes that could help smaller renewable projects to obtain transmission service. Kyle Davis suggested that the renewable energy development zone (REDZ) concept could be of great help in solving the transmission problem. California only recently has established a transmission coordination agency.
- Develop a system for designating renewable energy development zones. Several members of the REI focus group suggested that the existence of REDZs could be very helpful in helping utilities and other entities to plan and construct transmission lines, as well as simplify permitting and other issues. Tim Wagner suggested that a full REDZ study committee should be recommended to Governor Huntsman. Carol Hunter suggested that one place to start would be to study the economic development statutes to learn what could be applied in establishing REDZs.
- It was suggested that consideration be given to improving transmission efficiency as a way to realize capacity for the use of renewable resources.

It was also suggested that there must be assurance of cost recovery for the utility that will cover the development and initial scoping costs for transmission to serve renewable energy resources.